## In the Claims

This listing of claims will replace all prior versions, and listings, of claims in the application.

Please amend Claims 3, 5, 6, 8, 9, 14, 15, 28, and 32, and cancel Claims 1, 2, 7, 10, 13, 16, 17, 24, 25, 26, 27, 29, 30 and 31.

- 1. (cancelled)
- 2. (cancelled)
- 3. (currently amended) The method of Claim 2, A method of generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the method comprising:

calculating a complexity ratio of the current frame,
wherein the calculating a complexity ration of the
current frame comprises:

calculating a local complexity of the current
frame; wherein the calculating a local complexity of
the current frame comprises:

calculating a new average local
complexity; and

calculating a new value for the local complexity as a weighted average of a current value of the local complexity and the new average local complexity. complexity; calculating a global complexity of a plurality

of frames; and

setting the complexity ratio to equal the local complexity divided by the global complexity;

calculating a current frame bit rate using the
complexity ratio of the current frame;

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calculating the frame quantization parameter based on the current frame bit rate.

- (original) The method of Claim 3, wherein the new 4. average local complexity is equal to a weighted average of a plurality of frame complexities weighted by a plurality of frame types.
- (currently amended) The method of Claim 2, A method of generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the method comprising:

calculating a complexity ratio of the current frame, wherein the calculating a complexity ration of the current frame comprises:

calculating a local complexity of the current frame;

calculating a global complexity of a plurality of frames, wherein the global complexity is a long term average of the local complexity; and

setting the complexity ratio to equal the local complexity divided by the global complexity;

calculating a current frame bit rate using the complexity ratio of the current frame;

calculating the frame quantization parameter based on the current frame bit rate;

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(currently amended) The method of Claim 2, A method of 6. generating a frame quantization parameter for encoding a -3current frame of an incoming video stream having a plurality of frames, the method comprising:

calculating a complexity ratio of the current frame, wherein the calculating a complexity ration of the current frame comprises:

calculating a local complexity of the current
frame;

calculating a global complexity of a plurality of frames, wherein a new value for global complexity is equal to a global complexity coefficient times the local complexity plus a current value of the global complexity times one minus the global complexity coefficient. coefficient; and

setting the complexity ratio to equal the local
complexity divided by the global complexity;

calculating a current frame bit rate using the complexity ratio of the current frame;

calculating the frame quantization parameter based on the current frame bit rate.

- 7. (cancelled)
- 8. (currently amended) The method of Claim 7, A method of generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the method comprising:

calculating a complexity ratio of the current frame;

calculating a current frame bit rate using the

complexity ratio of the current frame;

calculating the frame quantization parameter based on the current frame bit rate; and

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calculating a bit balance adjustment factor that is used in the calculating a current frame bit rate using the complexity ratio, wherein calculating a bit balance adjustment factor comprises:

tracking a bit balance of a plurality of previously processed frames; and dividing the bit balance by a duration to generate the bit balance adjustment factor.

9. (currently amended) The method of Claim 7, A method of generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the method comprising:

calculating a complexity ratio of the current frame;

calculating a current frame bit rate using the

complexity ratio of the current frame;

calculating the frame quantization parameter based
on the current frame bit rate; and

calculating a bit balance adjustment factor that is used in the calculating a current frame bit rate using the complexity ratio, wherein the current frame bit rate is equal to the bit balance adjustment value plus a rate control parameter multiplied by the complexity ratio multiplied by a frame target rate plus the frame target rate multiplied by the difference between one and the rate control parameter.

- 10. (cancelled)
- 11. (cancelled)
- 12. (cancelled)
- 13. (cancelled)

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14. (currently amended) The method of Claim 13, A method of generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the method comprising:

calculating a complexity ratio of the current frame;
calculating a current frame bit rate using the
complexity ratio of the current frame;

calculating a frame coding efficiency factor; and calculating the frame quantization parameter based on the current frame bit rate, wherein the calculating the frame quantization parameter based on the current frame bit rate comprises:

<u>calculating a bit budget for the current frame</u>
using the current frame bit rate;

calculating an average macroblock quantization factor of a previous frame, wherein the previous frame and the current frame have a same frame type; and

calculating the frame quantization parameter
using the bit budget; the average macroblock
quantization factor of the previous frame, and a bit
usage of the previous frame; and

wherein the frame quantization parameter is equal to one fourth of the average macroblock quantization factor multiplied by the sum of three plus the bit usage divided by the bit budget.

15. (currently amended) The method of Claim 1, further comprising A method of generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the method comprising:

calculating a complexity ratio of the current frame;

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calculating a current frame bit rate using the complexity ratio of the current frame;

calculating the frame quantization parameter based on the current frame bit rate; and

calculating an underflow quantization parameter for each macroblock of the current <u>frame</u>. <u>frame</u>; <u>wherein the comprising calculating an underflow quantization parameter for each macroblock of the current frame comprises:</u>

calculating a maximum macroblock bit budget;
tracking a total bit usage for the current
frame;

tracking a count of a number of processed
macroblocks; and

calculating the underflow quantization
parameter using the maximum macroblock bit budget,
the total bit usage, and the count, wherein a new
value of the underflow quantization parameter is
equal to a current value of underflow quantization
parameter multiplied by one plus the total bit usage
minus a product of the count and the maximum
macroblock bit budget divided by the maximum
macroblock bit budget.

- 16. (cancelled)
- 17. (cancelled)
- 18. (original) The method of Claim 15 further comprising applying activity masking to generate a macroblock quantization parameter using the underflow quantization parameter.

SILICON VALLEY PATENT GROUP ILP 18805 Cox Avenue. Suite 220 Saratoga. CA 95070 (408) 378-7777 FAX (408) 982-8210 19. (previously presented) A method of creating macroblock quantization parameters for a current frame using a frame quantization parameter, the method comprising:

setting an initial value of the macroblock quantization value to be equal to the frame quantization parameter;

calculating a maximum macroblock bit budget;
tracking a total bit usage for the current frame;
tracking a count of a number of processed
macroblocks;

calculating the underflow quantization parameter using the maximum macroblock bit budget, the total bit usage, and the count, wherein a new value of the underflow quantization parameter is equal to a current value of underflow quantization parameter multiplied by one plus the total bit usage minus a product of the count and the maximum macroblock bit budget divided by the maximum macroblock bit budget.

- 20. (cancelled)
- 21. (original) The method of Claim 19 further comprising applying activity masking to each macroblock.
- 22. (original) The method of Claim 19, further comprising calculating the frame quantization parameter.
- 23. (original) The method of Claim 22, wherein the calculating the frame quantization parameter comprises:

calculating a complexity ratio;

calculating a current frame bit rate using the complexity ratio factor; and

calculating the frame quantization parameter based on the current frame bit rate.

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- 24. (cancelled)
- 25. (cancelled)
- 26. (cancelled)
- 27. (cancelled)
- 28. (currently amended) A system for generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the system comprising:

means for calculating a complexity ratio of the current frame;

means for calculating a current frame bit rate using the complexity ratio of the current frame;  $\underline{\text{and}}$ 

means for calculating the frame quantization parameter based on the current frame bit  $\frac{1}{2}$  rate; and

wherein the means for calculating a complexity ratio
comprises:

means for calculating a local complexity of the
current frame;

means for calculating a global complexity of a
plurality of frames; and

means for setting the complexity ratio to equal the local complexity divided by the global complexity; and

wherein the means for calculating a local
complexity comprises:

means for calculating a new average local complexity; and

means for calculating a new value for the

local complexity as a weighted average of a

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## current value of the local complexity and the new average local complexity.

- 29. (cancelled)
- 30. (cancelled)
- 31. (cancelled)
- 32. (currently amended) The system of Claim 31, A system for generating a frame quantization parameter for encoding a current frame of an incoming video stream having a plurality of frames, the system comprising:

means for calculating a complexity ratio of the
current frame;

means for calculating a current frame bit rate using the complexity ratio of the current frame;

means for calculating the frame quantization

parameter based on the current frame bit rate; and

means for calculating a bit balance adjustment

factor that is used by the means for calculating a

current frame bit rate using the complexity ratio factor;

wherein the means for calculating a bit balance adjustment factor comprises:

means for tracking a bit balance of a plurality
of previously processed frames;

means for dividing the bit balance by a duration to generate the bit balance adjustment factor.

33. (original) The system of Claim 28, further means for comprising calculating a frame coding efficiency factor.

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(original) The system of Claim 33, wherein the means for calculating the frame quantization parameter based on the current frame bit rate comprises:

means for calculating a bit budget for the current frame using the current frame bit rate;

means for calculating an average macroblock quantization factor of a previous frame, wherein the previous frame and the current frame have a same frame type;

means for calculating the frame quantization parameter using the bit budget; the average macroblock quantization factor of the previous frame, and a bit usage of the previous frame.

- 35. (original) The system of Claim 28, further comprising means for calculating an underflow quantization parameter for each macroblock of the current frame.
- 36. (previously presented) A system for creating macroblock quantization parameters for a current frame using a frame quantization parameter, the system comprising:

means for setting an initial value of the macroblock quantization value to be equal to the frame quantization parameter;

means for calculating a maximum macroblock bit budget;

means for tracking a total bit usage for the current frame;

means for tracking a count of a number of processed macroblocks;

means for calculating the underflow quantization parameter using the maximum macroblock bit budget, the total bit usage, and the count; wherein a new value of

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the underflow quantization parameter is equal to a current value of underflow quantization parameter multiplied by one plus the total bit usage minus a product of the count and the maximum macroblock bit budget divided by the maximum macroblock bit budget.

## 37. (cancelled)

- 38. (original) The method of Claim 36 further comprising means for applying activity masking to each macroblock.
- 39. (original) The system of Claim 36, further comprising means for calculating the frame quantization parameter.
- 40. (original) The system of Claim 39, wherein the means for calculating the frame quantization parameter comprises:

means for calculating a complexity ratio;
means for calculating a current frame bit rate using
the complexity ratio factor; and

means for calculating the frame quantization parameter based on the current frame bit rate.

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